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**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF NEVADA**

In re:  
  
 THE RHODES COMPANIES, LLC, aka  
 "Rhodes Homes," et al.,<sup>1</sup>  
  
 Debtors.

Case No. BK-S-09-14814-LBR  
 (Jointly Administered)

Chapter 11

**DECLARATION OF VAN C. DURRER II IN  
 SUPPORT OF MOTION TO COMPEL  
 REIMBURSEMENT OF FEES AND  
 EXPENSES PURSUANT TO  
 CONFIRMATION ORDER AND CASH  
 COLLATERAL ORDER**

Affects:  
☒ All Debtors  
☐ The following Debtor(s)

Date: June 21, 2010  
 Time: 9:30 a.m.  
 Judge: Honorable Linda B. Riegler

<sup>1</sup> The "Debtors" in these cases, along with their case numbers are: Heritage Land Company, LLC (Case No. 09-14778); The Rhodes Companies, LLC (Case No. 09-14814); Tribes Holdings, LLC (Case No. 09-14817); Apache Framing, LLC (Case No. 09-14818); Geronimo Plumbing LLC (Case No. 09-14820); Gung-Ho Concrete LLC (Case No. 09-14822); Bravo, Inc. (Case No. 09-14825); Elkhorn Partners, a Nevada limited partnership (Case No. 09-14828); Six Feathers Holdings, LLC (Case No. 09-14833); Elkhorn Investments, Inc. (Case No. 09-14837); Jarupa, LLC (Case No. 09-14839); Rhodes Realty, Inc. (Case No. 09-14841); C&J Holdings, Inc. (Case No. 09-14843); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Design and Development Corporation (Case No. 09-14846); Parcel 20, LLC (Case No. 09-14848); Tuscany Acquisitions IV, LLC (Case No. 09-14849); Tuscany Acquisitions III, LLC (Case No. 09-14850); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions, LLC (Case No. 09-14853); Rhodes Ranch Golf Country Club, LLC (Case No. 09-14854); Overflow, LP (Case No. 09-14856); Wallboard, LP (Case No. 09-14858); Jackknife, LP (Case No. 09-14860); Batcave, LP (Case No. 09-14861); Chalkline, LP (Case No. 09-14862); Glynda, LP (Case No. 09-14865); Tick, LP (Case No. 09-14866); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, LLC (Case No. 09-14882); Tuscany Golf Country Club (Case No. 09-14884); and Pinnacle Grading, LLC (Case No. 09-14887).

**DECLARATION OF VAN C. DURRER II IN SUPPORT OF MOTION TO COMPEL  
REIMBURSEMENT OF FEES AND EXPENSES PURSUANT TO CONFIRMATION  
ORDER AND CASH COLLATERAL ORDER**

I, Van C. Durrer II, declare as follows:

1. I am a partner with the law firm of Skadden, Arps, Slate, Meagher & Flom LLP (“Skadden, Arps”), counsel to Credit Suisse AG, Cayman Islands Branch (“Credit Suisse”) in these bankruptcy cases. I have personal knowledge of the facts stated in this declaration, and if called to testify, could and would competently testify thereto.

2. On February 18, 2010, my colleague, Ramon Naguiat, sent an email communication to counsel for the above-captioned debtors in these cases (the “Debtors”) and counsel to the First Lien Steering Committee, requesting payment of certain attached invoices (the “Initial Invoices”) pursuant to Final Stipulated Order (I) Authorizing Use of Cash Collateral Pursuant to Sections 105, 361, 362 and 363 of the Bankruptcy Code and (II) Granting Adequate Protection and Super Priority Administrative Expense Priority to Prepetition Secured Lenders Re Debtors’ Motion for Interim and Final Orders Pursuant to Sections 105, 361, 362, 363 and 364 of Debtors’ Motion for Interim and Final Orders Pursuant to Sections 105, 361, 362, 363 and 364 of the Bankruptcy Code (A) Authorizing Debtors to Use Cash Collateral, (B) Granting Adequate Protection to the Debtors’ Prepetition Secured Parties and (C) Scheduling a Final Hearing; Memorandum of Points and Authorities Filed by Zacariah Larson on Behalf of Heritage Land Company, LLC [Relates to Heritage Docket No. 35] [Docket No. 126]. A true and correct copy of the email communication, which was contemporaneously copied to me and received by me in the ordinary course of business, is attached hereto as *Exhibit “A.”*

3. In a letter to Skadden, Arps dated March 18, 2010, counsel for the First Lien Steering Committee objected to the Initial Invoices as they pertained to the fees and expenses of Skadden, Arps, Slate, Meagher & Flom, LLP (“Skadden, Arps”), Credit Suisse’s bankruptcy counsel, stating that more detail was required and requesting that Skadden Arps’ time entries be broken into categories outlined by the First Lien Steering Committee. Counsel for the Debtors sent Skadden, Arps a letter dated March 19, 2010 in which it advised that the Debtors joined in the First Lien Steering Committee’s letter of March 18, 2010. True and correct copies of the

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1 First Lien Steering Committee's letter of March 18, 2010 and the Debtors' letter of March 19,  
 2 2010 are attached hereto as ***Exhibits "B" and "C,"*** respectively. Again these communications  
 3 were copied to me and received by me in the ordinary course of business.

4 4. I responded to Exhibits B and C to counsel for the First Lien Steering Committee  
 5 and the Reorganized Debtors dated April 7, 2010, offering to provide alternative  
 6 categorizations for invoices and advising that the re-categorized invoices would be  
 7 forthcoming. A true and correct copy of this letter is attached hereto as ***Exhibit "D."***

8 5. On May 3, 2010, I sent a follow-up letter to counsel for the First Lien Steering  
 9 Committee and the Debtors, enclosing the re-categorized invoices (the "Re-categorized  
 10 Invoices"), along with additional invoices for fees and expenses incurred by Credit Suisse and  
 11 its professionals (the "Additional Invoices") and previously submitted invoices of Credit  
 12 Suisse's local counsel (the "Local Counsel Invoices" and with the Re-Categorized Invoices and  
 13 the Additional Invoices, the "Outstanding Invoices"). A true and correct copy of this letter is  
 14 attached hereto as ***Exhibit "E."*** I have not received any written objection or response to this  
 15 May 3, 2010 communication.

16 6. I have made repeated attempts to determine the position of the First Lien Steering  
 17 Committee regarding payment of the Outstanding Invoices, but have not received any  
 18 substantive feedback to date.

19 7. In the course of Skadden Arps' representation of Credit Suisse, I have become  
 20 familiar with the first lien Credit Agreement Dated as of November 21, 2005, among Heritage  
 21 Land Company, LLC, The Rhodes Companies, LLC, and Rhodes Ranch General Partnership,  
 22 as the Borrowers, the Lenders Listed [Th]erein, as the Lenders, and Credit Suisse, Cayman  
 23 Islands Branch, as Administrative Agent, Collateral Agent, Syndication Agent, Sole  
 24 Bookrunner and Sole Lead Arranger and the amendments thereto (as amended, restated,  
 25 amended and restated, supplemented, or otherwise modified from time to time, the First Lien  
 26 Credit Agreement). Attached as ***Exhibit "F"*** is a true and correct copy of the First Lien Credit  
 27 Agreement

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1 I declare under penalty of perjury under the laws of the United States that the foregoing  
2 is true and correct.

3 Executed in New York, New York this 24th day of May, 2010.

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8 Van C. Durrer II  
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